



NEWS RELEASE

PRESS OFFICE

Release Date: May 6, 2002
Release Number: 02-24

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www.sba.gov/news/indexheadline.html

SBA'S CLASS OF 2002 SMALL BUSINESS WINNERS KICKS OFF NATIONAL SMALL BUSINESS WEEK

WASHINGTON – Despite the hard work, long hours and inherent risk that is part of starting and growing a small business, the state Small Business Persons of the Year from across the country say they would do it all over again, according to a U.S. Small Business Administration survey.

“This is a testament to the rewards, both financial and personal, that come from owning a small business,” said SBA Administrator Hector V. Barreto. **“But do not think for a moment the job of entrepreneurship is easy. That’s why each year the nation celebrates National Small Business Week to honor the small business men and women who build the products, make the sales and create the jobs that fuel this economy.”**

The SBA “Class of 2002” winners arrive in Washington, D.C., today at the start of National Small Business Week to receive honors from the SBA, Congress, Cabinet officials and their peers. One of the 53 winners from each state, Guam, Puerto Rico and the District of Columbia will be named the National Small Business Person of the Year.

In addition to sharing a conviction that starting their business was the right thing to do, the winners have another common bond: every one of them is technology-savvy and uses a personal computer in their business. All but a handful have Internet Web pages, but every one of them uses the Internet.

The winners are selected in a rigorous nomination and review process involving all 70 SBA district offices in the country. The nominees are judged by a panel of their peers in each state. They are reviewed based upon their record of stability, growth in employment and sales, financial condition, innovation, response to adversity and community service. Involvement with SBA is *not* a selection criteria, though 58-percent received financial and/or management assistance from the SBA at some point; half received SBA financing.

An SBA-survey of the winning businesses reveals a wide range of products and services including, a mix as diverse as American society and culture: from shipbuilding to outdoor furniture manufacturing; day spa and boutique services to Web design, advertising and wireless communication services; restaurant owners and sandwich makers to general contractors.

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One of every three winners is in manufacturing; one of five is in construction; and another 17 percent are involved in computer technology, twice as many as the class of 2001. Most of the rest are in retailing or wholesaling or provide professional services: real estate, engineering, accounting or the like.

Women own 28 percent of the winning businesses – 10-percent more than last year. Twenty-three percent are minority owned: 3 percent by African Americans; 14 percent by Hispanic Americans and 6 percent by Asian-Americans. Twenty-one percent of the winners are veterans.

Twenty-nine export goods and services, representing an average of 13 percent of sales. Forty percent sell to the federal government. The most recent year's total sales for all the businesses amounted to \$622,000,000 – up 25 percent from sales for the class of 2001. Median sales were \$6 million (\$12.2 million average).

The winning businesses have been in business for an average of 15 years. Of the winning businesses, 40 percent were started in the 1990s, 25 percent were started in the 1980s, and 21 percent started in the 1970s. The oldest business was founded in 1897.

More than half of the businesses said that financing and maintaining adequate cash flow for needed equipment and services were their biggest challenges. The most commonly listed “important piece of advice” from these veteran small business owner to would-be business owners was to be prepared to work harder and longer than ever imagined but without compromising family and personal life to a point of regret.

“The keys to success, expressed by this impressive 2002 class of small business persons of the year, include hard work and fulfilling all your promises as if your company’s life depends upon it, because it does,” Barreto said.

For the complete statistical report on the state Small Business Persons of the Year and a complete list of state and other award winners, visit the SBA’s Small Business Week Web site at <http://smallbusinesssuccess.sba.gov/>.

For more information about all of the SBA’s programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA or TDD 704-344-6640. Also, visit the SBA’s extensive Web site at www.sba.gov.

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